Decision ID No. 29206 Service Date: May 22,1998

FINAL ENVIRONMENTAL IMPACT STATEMENT

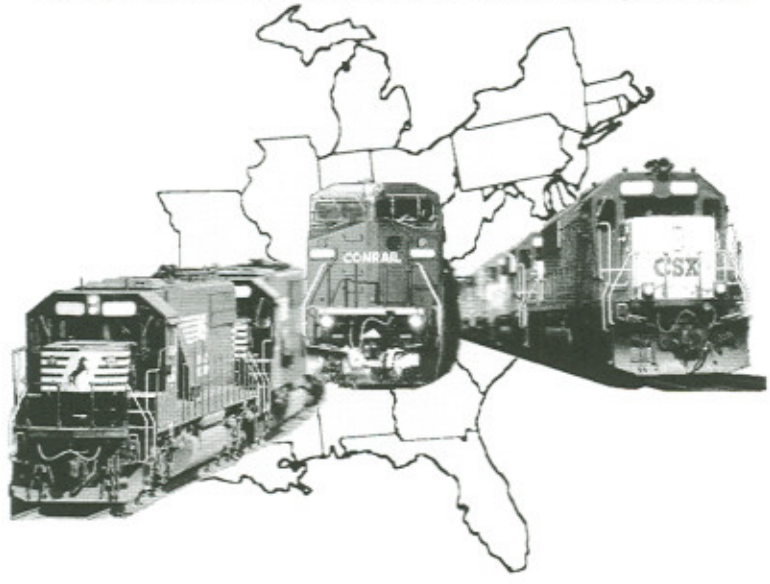
Finance Docket No. 33388

"PROPOSED CONRAIL ACQUISITION"

CSX Corporation and CSX Transportation, Inc.
Norfolk Southern Corporation and
Norfolk Southern Railway Company

Control and Operating Leases/Agreements

Conrail, Inc. and Consolidated Rail Corporation



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SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Section of Environmental Analysis

May 29, 1998

Re: Finance Docket No. 33388 — CSX and Norfolk Southern — Control and Acquisition — Conrail: Final Environmental Impact Statement

Dear Interested Parties:

The Section of Environmental Analysis (SEA) is pleased to provide you with the enclosed Final Environmental Impact Statement (Final EIS) for the proposed Acquisition of Conrail, Inc. by Norfolk Southern Railroad and CSX Railroad. The Final EIS addresses written public comments that were filed since SEA's issuance of the Draft Environmental Impact Statement (Draft EIS) in December 1997. The Final EIS also includes SEA's overall conclusions regarding the environmental impacts of the proposed Conrail Acquisition and SEA's final recommendations for mitigating the potential significant adverse environmental impacts.

SEA conducted additional environmental analysis, consulted further with Federal, state, and local agencies, and fully considered all comments received in response to the Draft EIS in preparing the Final EIS and in making its final environmental recommendations to the Board. Comments were received from a broad range of interests that included Federal, state, and local agencies; elected officials; communities; businesses; associations; commuter services; and the general public.

In making its final decision whether to approve, approve with conditions (including environmental conditions), or disapprove the proposed Conrail Acquisition, the Board will consider the entire environmental record, including all public comments, the Draft EIS, the Final EIS, and SEA's final recommended environmental mitigation. The Board will conduct a formal voting conference on June 8, 1998, and plans to issue its final written decision on July 23, 1998. Parties who wish to file an administrative appeal of the Board's written decision, including any environmental conditions that the Board might impose, may do so within 20 days of July 23, 1998, as provided in the Board's rules. The Board will consider any administrative appeals in a subsequent decision.

One month before this Final EIS was completed, NS submitted changes in train traffic operations for the Greater Cleveland Area to address potential significant adverse environmental impacts. The enclosed Addendum of this Final EIS discusses the specific changes. The Board

has decided that persons affected by the potential traffic changes may file comments limited to the new NS routing information, which would reduce train traffic in some areas of Cleveland and increase it in other areas of Ohio and Pennsylvania. Persons who wish to submit comments on this new information should do so no later than June 28, 1998, to allow the Board to fully consider these comments prior to the Board's final written decision on July 23, 1998. Also, parties affected by this new train traffic information will have the same opportunity as everyone else to bring their concerns to the Board's attention through an administrative appeal of the Board's final written decision.

For additional information, please contact SEA's toll-free Environmental Hotline at (888)-869-1997. Information about the proposed Conrail Acquisition, Draft EIS, and Final EIS can be found at SEA's Internet web site at *http://www.conrailmerger.com*, or the Board's web site at *http://www.stb.dot.gov*.

SEA acknowledges and appreciates the efforts of all interested parties who reviewed and commented on the Draft EIS. Thank you for your participation.

Sincerely,

Elaine K. Kaiser
Environmental Project Director
Section of Environmental Analysis

Enclosure

SEA's Conclusions

SEA has completed an extensive review of the potential environmental impacts that could result from the proposed Acquisition of Conrail by CSX and Norfolk Southern. Based on its independent environmental analysis and review of all the public comments, SEA has reached the following conclusions:

1. On a system-wide basis, SEA identified several environmental benefits resulting from overall improvements in operating efficiency. These benefits include reduced air pollutant emissions, reduced energy consumption, reduced likelihood of accidents involving hazardous materials, and reduced truck traffic on the interstate highway system, with a resulting decrease in highway accidents. However, to ensure a high level of safety along rail line segments where the train traffic increases would be 8 or more trains per day, SEA recommends several general safety mitigation measures, including measures to ensure that the public is effectively notified along rail line segments where those increases in train traffic would occur.

2. On a regional and local basis, SEA identified environmental benefits resulting from reduced train traffic along certain rail line segments and reduced activity at rail yards and intermodal facilities. Of the 1,022 rail line segments SEA evaluated, 201 would experience reduced train traffic and 532 rail line segments would experience no change in train traffic.

3. SEA identified potential significant adverse environmental impacts for hazardous materials transport and passenger rail safety in certain regions or rail corridors. SEA identified reasonable and appropriate mitigation measures to address these potential environmental impacts.

4. SEA identified potential significant adverse environmental impacts in certain communities that would experience increased rail activities. These activities include increased traffic along rail line segments, at rail yards, or at intermodal facilities as well as rail line abandonment and construction projects. SEA identified these potential environmental impacts in the areas of freight rail safety, highway/rail at-grade crossing safety, highway/rail at-grade crossing delay (including emergency response vehicle delay), noise, natural resources, cultural resources, and hazardous waste sites. In many cases, the Applicants negotiated agreements with the affected communities to address these environmental impacts and other local concerns. Where agreements were not reached, SEA identified reasonable and appropriate environmental mitigation to address each of these issue areas in the affected communities.

5. With regard to environmental justice, SEA conducted an extensive and thorough demographic analysis to identify areas where the potential environmental impacts of the proposed Conrail Acquisition could be disproportionately high and adverse for minority

and low-income populations. SEA concluded that, on a local or regional basis, in several cities in four states, the potential environmental impacts could be disproportionately high and adverse for these environmental justice populations. In these cases, SEA reviewed and refined the recommended mitigation to ensure that it would address the particular environmental impacts and unique needs of these populations.

6. SEA's recommended mitigation measures are reasonable and feasible ways to address most potential significant adverse environmental impacts associated with the proposed Conrail Acquisition. However, for a limited number of locations with identified adverse environmental impacts, SEA determined that mitigation alternatives were not reasonable or feasible. For example, several communities could experience potential noise impacts above the Board's threshold for environmental analysis (65 dBA L_{dn} or an increase of 3 dBA L_{dn}) but less than SEA's criteria for noise mitigation (70 dBA L_{dn} and an increase of 5 dBA L_{dn}). Also, in some cases, commentors suggested mitigation to address pre-existing conditions. SEA did not recommend mitigation to address these pre-existing conditions because they were not attributable to the proposed Conrail Acquisition. Moreover, SEA did not recommend mitigating the potential environmental effects of increased train traffic by shifting traffic to other lines where doing so simply would have resulted in transferring the adverse impacts to other communities.

7. Based on its independent environmental analysis and consideration of reasonable and feasible mitigation strategies, SEA believes there is still the potential for significant adverse environmental impacts, as follows:

   - Potential noise impacts from train horns, for which SEA does not recommend mitigation because of overriding safety concerns.

   - Potential noise impacts resulting from the volume of post-Acquisition rail traffic for certain noise receptors closer than 120 feet from the tracks, even with implementation of SEA's recommended noise mitigation. With SEA's recommended mitigation, there would be a smaller number of noise receptors (fewer than 60) on 8 rail line segments in Ohio, Pennsylvania, and Virginia (C-061, C-065, C-072, C-073, C-074, C-085, N-079, and N-100) that could experience substantial noise impacts.

   - Potential emergency vehicle response delay in several small communities where SEA's emergency response mitigation strategies would not be practical or reasonable.

Based on its independent environmental analysis and review of all the public comments, SEA recommends that the Board require the Applicants to implement the environmental mitigation measures included in Chapter 7 of this Final EIS as conditions in any final decision approving the proposed Conrail Acquisition.

GUIDE TO EXECUTIVE SUMMARY VOLUME

Executive Summary Volume of the Proposed Conrail Acquisition Final EIS contains the following items:

- Contents of Executive Summary.
- Executive Summary.
- Guide to the Final EIS.
- Glossary of Terms.
- List of Acronyms and Abbreviations.
- Contents of the Final EIS.
- Information Sources.
- Index.

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EXECUTIVE SUMMARY

INTRODUCTION

The Surface Transportation Board, Section of Environmental Analysis, prepared this Final Environmental Impact Statement to identify and evaluate the potential environmental impacts of the CSX and NS proposal to acquire Conrail.[1] SEA has recommended a number of mitigation measures to address these environmental impacts. The Board will fully consider the EIS, all public comments, and other relevant environmental information in deciding whether to approve as proposed, approve with conditions (including environmental conditions), or disapprove the proposed Conrail Acquisition.

CSX, NS, and Conrail filed a joint application (hereafter, this Primary Application) with the Board on June 23, 1997. In their Application, they jointly seek authority for CSX and NS to acquire Conrail, and for the subsequent division of most of Conrail's assets and the joint operation of other Conrail assets. The proposed action would consolidate the three railroads into two railroads. The proposed action, which would affect most of the eastern United States, including 24 states and the District of Columbia, is one of the most complex transactions the Board has ever considered.

The Board will decide whether it will approve, disapprove, or approve with appropriate conditions, including environmental conditions, the proposed Conrail Acquisition at a voting conference on June 8, 1998. The Board intends to issue its final written decision on the proposed Conrail Acquisition on July 23, 1998. In that decision, the Board will address environmental, economic, and competitive transportation issues and impose any conditions it deems appropriate, including environmental conditions.

[1] The "Surface Transportation Board" is hereinafter referred to as "the Board"; "Section of Environmental Analysis" is hereinafter referred to as "SEA"; and the "Final Environmental Impact Statement" is hereinafter referred to as the "Final EIS." "Conrail" stands for "Conrail, Inc. and Consolidated Rail Corporation;" "CSX" stands for "CSX Corporation and CSX Transportation, Inc.;" and "NS" stands for "Norfolk Sout hern Railway Company and Norfolk Southern Corporation."

INTRODUCTION (continued)

During its environmental review process, SEA considered a broad range of environmental issues potentially affecting a large number of communities on a general (or system-wide), regional, and local level. This approach allowed SEA to identify and assess potential environmental impacts and develop reasonable environmental mitigation that would address potential significant adverse impacts on a general, regional, and local level. Throughout its environmental review process, SEA sought public input from agencies, elected officials, organizations, businesses, and individuals. In developing reasonable environmental mitigation to address those significant adverse environmental impacts that would result directly from the proposed Conrail Acquisition, SEA balanced the various perspectives and concerns that the public raised and the range of environmental impacts and issues.

On a system-wide basis, SEA identified several environmental benefits resulting from overall improvements and operating efficiencies, but no potential significant adverse environmental impacts that would result from the proposed Conrail Acquisition. On a regional basis and a local or site-specific basis, SEA identified both benefits and potential significant adverse environmental impacts. Of the 1,022 rail line segments SEA evaluated, 201 would experience reduced train traffic and 532 rail line segments would experience no change in train traffic. For most potential significant environmental impacts, in particular regions or rail corridors, SEA identified reasonable environmental mitigation measures that the Board could require the Applicants to perform as conditions of approval. However, SEA acknowledges that even if the 65 mitigation conditions that apply to rail line segments in 19 states and the District of Columbia are successfully implemented, potential significant adverse environmental impacts would still exist in certain communities.

The Final EIS fully adopts and incorporates the Draft EIS, including the errata documents and supplemental notice that SEA issued to the public to clarify information in the Draft EIS. SEA intends that this Final EIS, which includes modifications and additions to the Draft EIS, be used in conjunction with the Draft EIS to provide complete documentation of SEA's environmental review process.

PURPOSE AND NEED FOR THE PROPOSED CONRAIL ACQUISITION

In their Application, CSX and NS state that the proposed Conrail Acquisition is intended to provide for a more efficient rail transportation system in the eastern United States and to increase rail competition in the Northeast and Midwest.

DESCRIPTION OF THE PROPOSED ACTION

The proposed action consists of the Primary Application, including Operating Plans and any Settlement Agreements (agreements between the Applicants and other parties regarding competitive issues) that the Applicants submitted to the Board, and related construction (including new rail line connections) and abandonment projects.

This proposed action covers a large portion of the eastern United States and involves more than 44,000 miles of rail lines and related facilities in 24 states and the District of Columbia. (See Figure ES-1.) The proposed Conrail Acquisition would replace the existing Conrail system with expanded CSX and NS systems in major sections of the Northeast and upper Midwest. (See Figure ES-2.) Under the Application, most of Conrail's assets would be divided between CSX and NS, which would operate their respective enlarged systems independently and in competition with each other. In Michigan, New Jersey, and Pennsylvania, they would jointly operate former Conrail facilities as Shared Assets Areas.

FIGURE ES-1

EXISTING SYSTEM

CSX, NORFOLK SOUTHERN AND CONRAIL

FIGURE ES-2
PROPOSED SYSTEM
CSX AND NORFOLK SOUTHERN

ALTERNATIVES

Based on the Applicants' Operating Plans, the proposed Conrail Acquisition would result in numerous rerouting and consolidation activities. These activities include increased or decreased rail traffic on some rail line segments and in some rail yards, diversion of long-haul highway truck shipments to rail shipments, diversion of some rail shipments to trucks, abandonment and rail line construction projects, and construction or expansion of certain rail yards and intermodal facilities. (See Chapter 2, "Scope of the Environmental Analysis," for more information.)

In this Final EIS, SEA analyzed the following three alternatives:

- **The No-Action Alternative,** under which the Board would not approve the Conrail Acquisition as proposed and the Applicants' proposed changes in rail operations would not occur. The No-Action Alternative is the "pre-Acquisition" setting. SEA compared the proposed action to the No-Action Alternative.

- **The Approval Alternative,** under which the Board would approve the Conrail Acquisition as proposed in the Application, Operating Plans, and Environmental Report the Applicants submitted to the Board on June 23, 1997; revisions presented in the Applicants' Errata and Supplemental Environmental Report filed with the Board on August 28, 1997; and additional information the Applicants provided after August 28, 1997. The Approval Alternative would include Settlement Agreements submitted by the Applicants.

- **The Approval-with-ConditionsAlternative,** under which the Board would approve the proposed Conrail Acquisition with specific conditions and mitigation requirements, including environmental mitigation conditions. The Approval-with-Conditions Alternative could also include potential modifications resulting from proposals by other parties requesting modifications or alterations to the proposed Conrail Acquisition (for example, Inconsistent and Responsive [IR] Applications and requests for conditions) and Negotiated Agreements between an Applicant and communities or other governmental units that address potential environmental impacts or other issues.

THE BOARD'S ENVIRONMENTAL REVIEW PROCESS AND THE PUBLIC'S RIGHT TO SEEK ADMINISTRATIVE REVIEW

The Board is an independent Federal regulatory agency with jurisdiction over certain surface transportation matters, including railroad acquisitions and mergers. When it determines that a transaction is consistent with the public interest, based on the economic and competitive merits, the Board is required by statute to approve and authorize the proposed transaction.

The Board's decision is a major Federal action requiring environmental review under the National Environmental Policy Act (NEPA). As part of its environmental analysis, the Board considers potential beneficial and significant adverse environmental impacts. SEA is responsible for conducting the environmental review on behalf of the Board, evaluating the significance of impacts, and making final environmental mitigation recommendations to the Board.

In imposing environmental mitigation conditions, the Board has consistently focused on the potential environmental impacts that would result directly from changes in activity levels on existing rail lines and at rail facilities. The Board's practice consistently has been to mitigate only those conditions that result directly from a proposed transaction. The Board does not require mitigation for existing environmental conditions, such as impacts associated with current railroad operations.

SEA is issuing this Final EIS to the public prior to the Board's June 4, 1998, oral argument where environmental as well as economic and competitive transportation issues can be addressed and prior to the Board's voting conference on June 8, 1998. At the voting conference, the Board will decide whether it will approve or disapprove the proposed Conrail Acquisition or approve it with appropriate conditions, including environmental conditions.

The Board's final written decision on the proposed Conrail Acquisition will be served on July 23, 1998. In its decision, the Board will address environmental, economic, and transportation issues; and it will impose any conditions it deems appropriate, including environmental conditions. Parties who wish to file an administrative appeal of the Board's written decision, including any environmental conditions that the Board might impose, may do so within 20 days of that date, as provided in the Board's rules. The Board will consider any administrative appeals in a subsequent decision.

OVERVIEW OF THE BOARD'S AND SEA'S ENVIRONMENTAL ACTIVITIES SINCE THE DRAFT EIS

After SEA issued the Draft EIS and prior to issuing the Final EIS, the Board and SEA undertook a variety of activities related to the environmental review of the proposed Conrail Acquisition, including further analysis based on additional information received from the Applicants, agencies, and the public during the comment period. SEA has documented its methods, analysis results, responses to comments, and detailed descriptions of its other activities in this Final EIS.

AGENCY COORDINATION AND PUBLIC OUTREACH

Since SEA issued the Draft EIS, it has continued its comprehensive public information and outreach efforts. As part of the NEPA process, SEA sought input from agencies, tribal governments, elected officials, and affected communities and individuals regarding the proposed Conrail Acquisition. SEA's outreach included extensive distribution of the Draft EIS. SEA placed a notice in the Federal Register to alert the public of the document's availability and included instructions on how to comment on the Draft EIS. With regard to environmental justice, SEA conducted focused public outreach activities for low-income and minority populations potentially affected by the proposed Conrail Acquisition. (See Chapter 3, "Agency Coordination and Public Outreach," for more information.)

OVERVIEW OF PUBLIC COMMENTS

SEA provided a 45-day period (ending February 2, 1998) during which the public could review and comment on the Draft EIS for the proposed Conrail Acquisition. SEA also provided an additional full 45-day comment period (ending April 15, 1998) specifically for refined hazardous materials transport, noise analyses, and environmental justice analysis. SEA refined these analyses to include information that was unavailable during its preparation of the Draft EIS and then opened this second comment period to allow the public to review and comment on all of its analyses.

To alert potentially affected communities and individuals of SEA's environmental review and to encourage their comments, SEA placed announcements in the Federal Register and local newspapers, conducted an extensive mail notification process, and made radio public service announcements. SEA encouraged all who received or reviewed the Draft EIS and additional information on refined hazardous materials transport, noise analysis, or environmental justice to comment on environmental issues, SEA's

OVERVIEW OF PUBLIC COMMENTS (continued)

technical analysis, and the scope and adequacy of SEA's preliminary recommended mitigation measures.

In preparing this Final EIS, SEA carefully reviewed the comments it received. The public and agencies provided comments in a variety of formats, including postcards, letters, and technical review reports. Overall, the public and agencies submitted approximately 260 documents. The documents contained over 1,000 comments on environmental issues. Some of the technical review reports were lengthy and posed detailed technical questions on environmental issues that prompted SEA to conduct additional analyses.

In developing final environmental mitigation recommendations, SEA fully considered all public comments and conducted additional environmental analyses including site visits where appropriate. As a result, SEA changed a number of the recommendations that had been presented in the Draft EIS to reflect concerns of the commentors. (See Chapter 5, "Summary of Comments and Responses," for more information.)

ADDITIONAL PUBLIC COMMENT ON RECENT NS ROUTING CHANGE

One month before this Final EIS was completed, NS submitted changes in train traffic operations for the Greater Cleveland Area to address potential significant adverse impacts. The Addendum of this Final EIS discusses the specific changes. The Board has decided that persons affected by the potential traffic changes, which would reduce train traffic in some areas of Cleveland and increase it in other areas of Ohio and Pennsylvania, may file comments limited to the new NS routing information, Persons who wish to submit comments on this new information should do so no later than June 28, 1998, to allow the Board to fully consider these comments prior to the issuance of the Board's final written decision on July 23, 1998. Also, parties affected by this new train traffic information will have the same opportunity as everyone else to bring their concerns to the Board's attention through an administrative appeal of the Board's July 23, 1998, final written decision.

OPERATIONAL SAFETY AND SAFETY INTEGRATION PLANS

The Applicants' proposed increases in rail activity have the potential to affect safety in many ways, including train operations, hazardous materials transport, and motor vehicles at highway/rail at-grade crossings. Therefore, safety is a major concern of the Board. Approximately half of SEA's recommended environmental conditions address safety concerns related to day-to-day railroad operations. In the past, however, the Board has not focused on, nor has it been asked to, address an applicant's process for combining and safely integrating the infrastructure, equipment, personnel, and operating practices of two or more entities following a merger or acquisition.

For the first time in an environmental review, the Board has considered this process, called safety integration, and has required specific actions by the proposed Conrail Acquisition Applicants. Prior to issuance of the Draft EIS, the Department of Transportation's Federal Railroad Administration (FRA) expressed concern that combining the three railroad systems into two could cause safety problems, and it recommended that the Board require the Applicants to develop plans detailing the procedures that each would follow to integrate the railroads systems in a manner that would maintain safety.

In response, the Board issued Decision No. 52 requiring the Applicants to file detailed Safety Integration Plans. SEA included the Safety Integration Plans in the Draft EIS, and it encouraged FRA and the public to review and comment on these plans. SEA also independently reviewed the plans for comprehensiveness and reasonableness. This Final EIS includes SEA's responses to public comments on the Safety Integration Plans.

OPERATIONAL SAFETY AND SAFETY INTEGRATION PLANS (continued)

Prior to issuing this Final EIS, the Board and FRA, with concurrence of DOT, agreed to a Memorandum of Understanding (MOU) to clarify the actions each would take to ensure the successful implementation of the Safety Integration Plans. Under the terms of that MOU, FRA would monitor, evaluate, and review the Applicants' efforts with respect to implementation of the Safety Integration Plans. FRA would report the Applicants' progress and provide, where appropriate, recommendations for how the Board could correct a deficiency until FRA affirms to the Board in writing that the proposed integration has been satisfactorily completed. (See Chapter 6, "Summary of Safety Integration Plan Comments, Responses, and Analysis" for more information.)

SUMMARY OF ENVIRONMENTAL IMPACTS AND SEA'S RECOMMENDED MITIGATION

In its environmental analysis, SEA identified both beneficial and potential significant adverse environmental effects of the proposed Conrail Acquisition. Under the Applicants' Operating Plans, the locations of rail activity would shift as shippers take advantage of the reconfigured rail system. For many regions and communities, this shift would reduce rail traffic and activities and result in environmental benefits. However, for others, the shift would increase rail activity, which could cause potential significant adverse effects.

In its environmental review, SEA carefully assessed the extent and potential significance of adverse effects related to proposed increases in rail traffic. Based on its analysis, SEA developed a set of mitigation measures that address potential significant adverse effects at multiple levels (general, regional, and local). In developing its recommended environmental mitigation measures, SEA considered a host of challenging issues that included:

- The broad geographic scope of the proposed Conrail Acquisition.
- The number of concerned communities.
- The variety of environmental issues.
- The importance of safety.
- The importance of safety integration planning.

SUMMARY OF ENVIRONMENTAL IMPACTS AND SEA'S RECOMMENDED MITIGATION (continued)

- The accommodation of freight rail and passenger rail service on the same rail line.
- The concerns about environmental justice.
- The scope of the Board's jurisdiction to impose mitigation.

Many recommended mitigation measures would extend to a number of states, while others would be specific to individual communities and local needs. In all, SEA's recommended mitigation would affect numerous communities in 19 states and the District of Columbia.

SEA believes that it has developed comprehensive, reasonable, and practical environmental mitigation recommendations that would address most potential significant adverse environmental impacts associated with the proposed Conrail Acquisition. SEA's recommended mitigation falls within the scope of the Board's jurisdiction and is consistent with the Board's practice of mitigating only those environmental impacts that directly result from the proposed action (for example, traffic delay and noise that result from increases in train traffic).

SEA's overall mitigation strategy would provide safeguards to ensure that the Applicants maintain safe operations and protect the environment following consolidation of the three rail systems into two systems. However, SEA acknowledges that for a limited number of locations with identified significant adverse environmental impacts, mitigation alternatives were not reasonable or feasible. Therefore, even with all the recommended mitigation, some potential significant adverse environmental impacts still exist in certain communities.

CSX and NS have consulted with certain affected communities and have developed Negotiated Agreements with local and state governments and organizations to address specific environmental issues. As of publication of this Final EIS, CSX and NS have submitted 18 executed agreements to the Board. SEA reviewed these agreements and recommends that the Board impose conditions that require CSX and NS to comply with the negotiated terms.

SUMMARY OF ENVIRONMENTAL IMPACTS AND SEA'S RECOMMENDED MITIGATION (continued)

SEA continues to encourage CSX and NS and the communities to negotiate mutually acceptable environmental solutions. If any Negotiated Agreements are executed after SEA issues the Final EIS, SEA recommends, subject to review of these agreements, that the Board include compliance with terms of those additional agreements as conditions of approval.

Based on its environmental analysis, SEA identified the following impacts and recommended mitigation measures.

On a general or system-wide basis, SEA's analysis indicated no potential significant adverse environmental impacts. Environmental benefits would occur on a system-wide basis, primarily from the more efficient routes that the proposed Conrail Acquisition would create. These potential benefits include reductions in fuel consumption, air pollutant emissions, and highway congestion. Nevertheless, SEA recommends several general mitigation measures to reduce the potential for accidents at highway/rail at-grade crossings and during hazardous materials transport. SEA also recommends general measures to ensure compliance with relevant laws and regulations as well as SEA's Best Management Practices.

On a regional basis, SEA identified potential significant adverse environmental impacts on passenger rail safety and hazardous materials transport and developed appropriate mitigation to reduce the potential adverse effects. SEA's recommended mitigation measures would enhance safety and service for areas where passenger rail trains share track with freight trains and for hazardous materials transport.

SUMMARY OF ENVIRONMENTAL IMPACTS AND SEA'S RECOMMENDED MITIGATION (continued)

On a local or site-specific basis, SEA identified potential significant adverse environmental impacts in a number of issue areas, including highway/rail at-grade crossing safety, traffic delay at highway/rail at-grade crossings, freight rail operations, noise, cultural resources, natural resources, and environmental justice. SEA recommends mitigation measures to address potential significant adverse environmental impacts that would increase safety at highway/rail at-grade crossings, reduce traffic delay, enhance safety for hazardous materials transport, reduce noise, protect cultural and natural resources, and address environmental justice issues. SEA has recommended mitigation measures for the District of Columbia and the following 19 states that might experience significant adverse environmental impacts: Alabama, Delaware, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.

- **Safety: Highway/rail At-grade Crossings**—The predicted accident frequency would increase to exceed SEA's criteria of significance at 89 highway/rail at-grade crossings. Therefore, SEA's recommended mitigation includes upgrading warning devices, installing advisory signs at crossings, and providing community education about highway/rail at-grade-crossing safety.

- **Safety: Hazardous Materials Transport**—Hazardous materials transport would increase to more than 10,000 carloads per year on 44 rail line segments, and the volume of hazardous materials traffic would at least double and exceed 20,000 carloads per year on 20 rail line segments. Accordingly, SEA's recommended mitigation includes requiring the Applicants to comply with industry safety standards and develop additional measures to aid in emergency response at the community level. SEA believes these approaches are appropriate and would effectively reduce risk.

SUMMARY OF ENVIRONMENTAL IMPACTS AND SEA'S RECOMMENDED MITIGATION (continued)

- **Safety: Hazardous Materials Transport (continued)**—SEA also determined that the increase in rail activity would increase the risk of a hazardous materials release due to an accident by 56 percent at certain rail yards and 75 percent at certain intermodal facilities. To mitigate this potential increase in risk, SEA recommends that the Board require CSX and NS to establish programs for reducing the risk of spills associated with hazardous materials transport and storage at these facilities.

- **Safety: Passenger Rail Operations**—SEA determined that the predicted risk of a freight/passenger accident warranting mitigation would increase on five rail line segments that carry passenger trains. To mitigate this potential increase in risk, SEA recommends that the Board require CSX and NS to work with FRA and the affected passenger service providers to develop operational strategies and technology improvements that would ensure passenger train safety on the five rail line segments.

- **Safety: Freight Rail Operations**—SEA determined that the predicted risk of a freight accident would increase enough to exceed SEA's criteria of significance on eight rail line segments. As a mitigation measure, SEA recommends that the Board require CSX and NS to conduct safety inspections of their rail using FRA's proposed rule on the frequency of internal rail inspections as a guideline.

- **Safety: Integration Planning**—SEA recommends that the Board require the Applicants to comply with their Safety Implementation Plans, which may be modified and updated. SEA further recommends the Board require the Applicants to cooperate with the ongoing monitoring and review process established in the Memorandum of Understanding to which the Board and FRA, with the concurrence of DOT, have agreed.

- **Transportation: Passenger Rail Service**—All rail line segments where passenger and freight trains share track could accommodate the proposed Acquisition-related increase in freight traffic without disrupting passenger rail service schedules. SEA determined that mitigation measures would not be required.

SUMMARY OF ENVIRONMENTAL IMPACTS AND SEA'S RECOMMENDED MITIGATION (continued)

- **Transportation: Highway/rail At-grade Crossing Delay**—Traffic delay would exceed SEA's criteria of significance at 13 highway/rail at-grade crossings. Where reasonable and feasible to mitigate these increases in traffic delay, SEA recommends that the Applicants be required to construct a grade-separated crossing, reroute train traffic, modify train operations, and implement operating efficiencies.

  SEA examined the effect of the proposed Conrail Acquisition on emergency vehicle response times and identified five local areas that would warrant mitigation. To mitigate these effects, SEA recommends that the Board require the Applicants to provide, install, and maintain computer equipment that allows local emergency responders to monitor train locations and route emergency vehicles appropriately.

- **Transportation: Roadway Systems**—At proposed abandonments and intermodal facilities, SEA determined that the local roadways could accommodate the increased truck traffic and mitigation would not be warranted.

- **Transportation: Navigation**—SEA did not identify any adverse system-wide or site-specific impacts to navigation on waterways that rail lines cross.

- **Energy**—The proposed Conrail Acquisition would result in a potential 80-million-gallon annual decrease in diesel fuel consumption. SEA did not identify any potential significant adverse environmental impacts associated with energy.

- **Air Quality**—SEA determined that no potential significant adverse air quality impacts would result from the proposed Conrail Acquisition. Air pollution emissions would decrease system-wide for all air pollutants except sulfur dioxide, which would increase by a negligible amount.

- **Noise**—SEA found that noise would increase along selected rail line segments. SEA recommends that the Board require CSX and NS to mitigate wayside noise with either noise barriers or sound insulation at the sensitive receptor locations identified in Appendix J, "Noise Analysis."

SUMMARY OF ENVIRONMENTAL IMPACTS AND SEA'S RECOMMENDED MITIGATION (continued)

- **Cultural Resources**—SEA determined that the proposed Conrail Acquisition could affect significant cultural resources at four sites. SEA recommends that the Board require the Applicants to complete appropriate cultural resources documentation and Section 106 of the National Historic Preservation Act consultation process prior to undertaking any activity involving these resources.

- **Hazardous Wastes Sites**—Because the Applicants must comply with Federal and state statutes regarding the investigation and remediation of hazardous wastes sites, SEA determined that mitigation measures would not be necessary.

- **Natural Resources**—One endangered species is potentially present near one proposed new rail line connection construction site. SEA recommends that the Applicants be required to consult with the responsible agencies to determine appropriate steps to protect this species and comply with Section 7 of the Endangered Species Act. The proposed transaction would cause no significant effect on any other natural resource, including water resources. However, to ensure protection of natural resources, SEA recommends that the Board require CSX and NS to follow Best Management Practices, which are construction practices designed to protect these resources.

- **Land Use And Socioeconomics**—The proposed Conrail Acquisition would not affect or conflict with any land use plans, prime farmlands, Native American lands, Coastal Zone Management plans, or socioeconomic factors related to job loss as a result of physical changes to the environment. In evaluating the proposed abandonments, SEA determined that alternative modes of transportation for goods and services exist. SEA determined that mitigation measures are not necessary.

SUMMARY OF ENVIRONMENTAL IMPACTS AND SEA'S RECOMMENDED MITIGATION (continued)

- **Environmental Justice**—SEA conducted additional outreach and analysis activities since the Draft EIS. Where SEA identified potential disproportionately high and adverse effects to environmental justice populations, it notified those populations. SEA identified areas where there could be disproportionately high and adverse impacts for minority and low-income populations affected by the proposed Conrail Acquisition. To mitigate the effects of the proposed Conrail Acquisition on these environmental justice populations, SEA first considered the effect of the mitigation it generally recommended for all communities experiencing a similar effect. If, because of the characteristics of the environmental justice community, SEA's mitigation would be unsatisfactory to address the effect, SEA developed tailored mitigation to meet the particular needs of the identified minority and low-income populations. In all, SEA's recommended mitigation addressed potential impacts for environmental justice populations in 15 cities.

- **Cumulative Effects**—On a system-wide basis, air quality would improve, national rail and highway systems would be more efficient, and energy consumption would decrease. On a local level, SEA determined that no cumulative effects would result from the proposed Conrail Acquisition.

See Chapter 4, "Summary of Environmental Review," for more information on all of these issue areas.

CONCLUSIONS

SEA has determined that the proposed Conrail Acquisition would have several beneficial environmental effects, including system-wide reductions in fuel consumption, air pollutant emissions, and highway congestion with a resultant decrease in the likelihood of highway accidents. In addition, many regions and localities would experience environmental benefits from reductions in train traffic. Numerous other communities would experience no change in train traffic. Regional adverse effects would occur in passenger rail safety and hazardous materials transport. Local or site-specific adverse effects would occur in the following issue areas: highway/rail at-grade crossing safety, traffic delay at highway/rail at-grade crossings, freight rail operations, noise, cultural resources, natural resources, and environmental justice. SEA identified reasonable and appropriate mitigation measures to address these potential environmental impacts.

CONCLUSIONS (continued)

If the Board decides to approve the proposed Conrail Acquisition, SEA recommends that the Board require the Applicants to implement SEA's 65 final recommended environmental conditions set forth in Chapter 7, "Recommended Environmental Conditions," of this Final EIS as measures to eliminate or minimize the potential significant adverse environmental impacts. These measures would not eliminate all potential significant impacts in every community; however, they are reasonable and feasible ways to address most potential significant adverse impacts associated with the proposed Conrail Acquisition.

SEA's final recommended mitigation measures would minimize the effects of increased train traffic in a manner that is reasonable and would not compromise the benefits of the proposed Conrail Acquisition. The measures also reflect the Board's practice of mitigating only the direct results of the transaction before it (not pre-existing conditions). For these reasons SEA recommends that the Board require the Applicants to comply with SEA's final recommended environmental mitigation as conditions to any final decision approving the proposed Conrail Acquisition.